

#1

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Thursday, February 15, 2018 10:22:29 AM  
**Last Modified:** Thursday, February 15, 2018 10:24:21 AM  
**Time Spent:** 00:01:52  
**IP Address:** 162.233.96.87

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Page 1

**Q1** First Name (Optional)

mary

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**Q2** Last Name (Optional)

jane

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

Many of the retailer in Los angles specifically sells product in large amount, I dont know if thats legal but It doesnt look like it

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#2

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Thursday, February 15, 2018 11:35:29 AM  
**Last Modified:** Thursday, February 15, 2018 11:40:48 AM  
**Time Spent:** 00:05:19  
**IP Address:** 98.234.230.36

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Page 1

**Q1 First Name (Optional)**

Jonathan

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**Q2 Last Name (Optional)**

Kramer

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**Q3 Organization (Optional)**

NVizhon Group LLC

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**Q4 Title (Optional)**

Founder

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Consistent feedback from existing dispensary customers shows extreme dissatisfaction with the taxing structure set forth on Jan 1st. With CA being the largest of all states that have legalized medicinal and adult use, setting excise and cultivation taxes that are double and in some cases triple what other states have isn't in the best interests of the business. In fact it drives the customer to the black market which will likely boom if this continues.

In addition requiring dispensaries to purchase ONLY from licensed distributors and requiring manufacturers to pay for a distributor license doesn't equate with equitable business practice but instead, gorging the business owners further.

If the state wants entrepreneurs to succeed and customers to be happy, EVERYTHING needs to change.

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#3

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Thursday, February 15, 2018 6:23:02 PM  
**Time Spent:** 00:04:14  
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Page 1

**Q1** First Name (Optional)

Nick

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**Q2** Last Name (Optional)

Panah

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

Please consider not to repeal the section 11362.775. There are many very sick patients in CA who use expensive cbd products for their cancer, glaucoma, opioid dependency, ECT. These people can barely afford it as it is, with all of their health care bills. They cannot afford to pay such a high tax on their products especially since they are very sick and using for medical reasons only.  
Thank you for your time

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#4

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Thursday, February 15, 2018 7:10:57 PM  
**Time Spent:** 00:09:38  
**IP Address:** 73.222.83.239

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Page 1

**Q1** First Name (Optional)

grant

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**Q2** Last Name (Optional)

palmer

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**Q3** Organization (Optional)

Cannacruz A10-17-0000018-TEMP

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**Q4** Title (Optional)

CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

- 1)We need to be able to both sample new products and give employees samples of existing products for training purposes.
  - 2)The fees and taxes are an unsustainable burden on retailers. The entire legal system will collapse if this is not addressed. We are not able to compete with the black market.
  - 3)The additional paperwork required for the doctor to sign in order to get a state/county medical card is creating an unnecessary liability for doctors. Doctors do not want to take the risk and are refusing to sign this paperwork. Our compassion patients are unable to access medicine because of this barrier. Please allow us to give cannabis away to medical patients without this unnecessary restraint.
  - 4) Retailers need a combined A/M license type. It is impossible for us to estimate the ratio of medical to adult use products we will need on any particular week. Please allow for the permanent mixing of inventory.
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#5

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Friday, February 16, 2018 2:24:50 PM  
**Time Spent:** 00:02:25  
**IP Address:** 98.234.230.36

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Page 1

**Q1** First Name (Optional)

Jonathan

**Q2** Last Name (Optional)

Respondent skipped this question

**Q3** Organization (Optional)

Respondent skipped this question

**Q4** Title (Optional)

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee****Q6** Feedback for Subcommittee

By virtue of the over zealous emergency regulation less than ONE percent of existing retailers can afford compliance efforts while customers are running for the black market due to the extremely HIGH tax rates. I urge you to re-evaluate the legislation in its entirety and develop guidelines that will allow those currently in business to continue. As it is the ONLY entrepreneurs that will be able is BIG BUSINESS which is NOT good for CA

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#6

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Sunday, February 18, 2018 10:24:56 AM  
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Page 1

**Q1** First Name (Optional)

Scott

**Q2** Last Name (Optional)

Respondent skipped this question

**Q3** Organization (Optional)

Respondent skipped this question

**Q4** Title (Optional)

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee****Q6** Feedback for Subcommittee

We are losing customers who are turning to the black market in order to afford purchase of medicinal or recreational cannabis. It's imperative the bureau re-evaluates the tax structure and REDUCES it dramatically. As you will see in the SF Chronicle story Berkeley has taken measures and cut their local tax in HALF. The state of CA must do the same:

<https://goo.gl/Z5x5CZ>

PLEASE consider taking action NOW rather than have the market flooded with black market product.

#7

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Sunday, February 18, 2018 3:24:58 PM  
**Time Spent:** 00:13:21  
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Page 1

**Q1** First Name (Optional)

Kelly

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**Q2** Last Name (Optional)

McCormick

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

Pot dispensaries are selling products designed to appeal to youth and many have youth oriented advertising. Many are flouting advertising limits, as well as holding on-site events and concerts where pot is consumed. Cities do not have the resources to enforce the law.

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#8

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Monday, February 19, 2018 9:25:11 AM  
**Time Spent:** 00:01:46  
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Page 1

**Q1** First Name (Optional) Respondent skipped this question

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**Q2** Last Name (Optional) Respondent skipped this question

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**Q3** Organization (Optional) Respondent skipped this question

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**Q4** Title (Optional) Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

Why not allow medicinal deliveries via common carrier, just like alcohol and prescription drugs? If I've verified a medical patient and verified their age, why can't I ship to them and require a signature for delivery?

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#9

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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Page 1

**Q1** First Name (Optional)

Sean

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**Q2** Last Name (Optional)

Cleary

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**Q3** Organization (Optional)

EcoMeds

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

Hello:

We'd very much appreciate it if the following items could be included in the agenda for the retail subcommittee:

-The very real need for a distribution company to have additional locations closer to retail markets. The current restriction at a state level of a single location per distributor license makes it very difficult for any production/distribution originating in a rural area to access any large customer base, eg the retail market in an urban area. It is currently unfeasible financially for any retailer to access rural distribution points and still serve an urban market, and thus a secondary shipping/receiving point for distribution would neatly address this break in the supply chain.

-Second, we'd request that the maximum value of retail deliveries be raised above the current \$3000 threshold. Similar to the rationale presented above, supply and distribution from rural areas is current very impractical, in this case because a retailer needing to supply an urban customer base is not able to profitably do so when limited to \$3000 per shipment from a rural supplier. Such supply provides too limited a quantity of product for the relationship to be profitable, but this could be mitigated with an allowance of a higher value of product to be transported by the retailer.

Respectfully submitted; and thanks for all your hard work.

Sean R Cleary

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#10

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Tuesday, February 20, 2018 11:30:31 AM  
**Time Spent:** 00:08:36  
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Page 1

**Q1** First Name (Optional)

Robert

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**Q2** Last Name (Optional)

May

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**Q3** Organization (Optional)

Humboldt Sky

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

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**Q6** Feedback for Subcommittee

1) explicitly allow compliant, licensed Type 9 non-storefront retailers to pick multiple consumer orders from compliant licensed distribution storage hubs

2) eliminate or significantly increase the "retail value" of cannabis products that is permitted to be delivered by a compliant licensed non-storefront retailer (delivery service) to enable a reasonable business processes (assuming a maximum daily purchase limit of 28 grams per individual, times a potential value of up to \$100 per gram, times an average number of deliveries to ten customers per day, this suggests a maximum value per delivery trip of \$28,000.

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# #11

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Tuesday, February 20, 2018 4:29:24 PM  
**Time Spent:** 03:46:10  
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Page 1

**Q1** First Name (Optional)

Pearl

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**Q2** Last Name (Optional)

Martin

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**Q3** Organization (Optional)

Abatin Wellness Center

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**Q4** Title (Optional)

Manager

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Please allow for more physical and design freedoms with the sales/retail floor. We do not want to be confined to the out dated "all products behind the counter" style. People want a more interactive and free shopping experience. We have cameras, security guards, and a staff member with their patient/customer for the duration of every visit. We also have so much inventory it is becoming impossible to keep everything behind the counter. On that note the regulations defining the safe storage of inventory products is very limiting. We need a solution for overflow inventory. We do not have enough room anymore with the volume of people visiting us to keep more than a few days of inventory in a safe or safe room. With all the security features our building has as well as the need to have more than a few days to a week's worth of inventory at a time (to reduce vendor traffic), we should be allowed to have an offsite storage location that meets any insurance companies specifications (this will be strict and should be sufficient), or allow for more product to remain on the floor. A third option would be to allow for inventory products to be in limited access areas (not accessible to customers, but only to staff) or lockable storage but not a safe/safe room (which is very confining and limiting). Lastly samples needs to be addressed. Employees need to know about the products they are selling. We have built our reputation on providing comprehensive knowledge about all our products. However without the ability to sample products or mark them out at no cost, we now have no way of doing this. Our employees literally have to purchase something to sample it. This is leading to poor knowledge about inventory items, as well as poor patient/customer experience.

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# #12

COMPLETE

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**Last Modified:** Tuesday, February 20, 2018 4:50:26 PM  
**Time Spent:** 00:00:40  
**IP Address:** 24.10.27.179

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Page 1

**Q1** First Name (Optional)

Christina

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**Q2** Last Name (Optional)

Gunn

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**Q3** Organization (Optional)

Brandmetta

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**Q4** Title (Optional)

CMO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Madams and Sirs,

I think the advertising regulations are a bit dated. If a site or online engine (such as Google and Facebook) can parse out where you can advertise, we should be able to do this considering we can target users over 21 and people within California. Right now, these services are so afraid, they are not even allowing advertising on their platforms because of the vagueness of what's allowed.

Cannabis advertising should follow the same path as alcohol advertising if you need some guidelines if this is the case. At least people in media already know what this means and what is allowable and works and what is not and doesn't. There are already proven test cases and court cases that can help steer decisions. We don't have to recreate the wheel. We simply need to adopt and adapt what works already.

The lack of this is causing a significant strain to the industry. Please help us. Thank you for your consideration.

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# #13

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 9:19:37 AM  
**Last Modified:** Wednesday, February 21, 2018 9:35:10 AM  
**Time Spent:** 00:15:33  
**IP Address:** 76.21.51.62

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Page 1

**Q1** First Name (Optional)

Andrea

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**Q2** Last Name (Optional)

Greenberg

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

Co-founder and Chief Counsel

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes



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only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Local taxation, and fair market burdens

The legalization of cannabis was meant to provide customers and patients with safe access to cannabis as well as provide the state with additional revenue. However many local jurisdictions have also imposed gross receipts tax on cannabis businesses that far outweighs the taxation on any other industry. Combined with state excise tax, and the complexity of the supply chain, this results in lower margins, and can make small businesses non-competitive with the larger market solely based on where they operate.

Recommendation: In order to give the entire industry a level playing field no matter where they operate, and to control the overall tax burden of a new industry, we propose capping county and municipal level local gross receipts taxes on manufacturers at 2%. Please also clarify tax collection as it relates to manufacturers.

Security Systems: CCR § 5044

Security systems are another barrier to entry for small businesses but there are a wide range of affordable systems which are extremely modern and up to date for those affordable cloud based services offer a maximum of 60 days of footage and record 5 minutes clips based on motion rather than 24-hour continuous recording. 24 hour continuous recording is more than any other industry and requires costly custom installations with large external storage systems. We love the idea of a cloud based system and it makes sense to set the regulations to match the standard met by the best modern security systems.

Recommendation: allow operators to capture 60 days of footage instead of 90, and allow footage to be captured when motion is detected rather than 24/7.

### 5417. Methods of Delivery

(a) A retailer’s delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged. I co-own a women-owned, women-run business, and frequently there are only one or two of us at the office. Having our address in the public domain would present a danger to our safety and create a constant source of stress.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

# #14

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:02:00 AM  
**Last Modified:** Wednesday, February 21, 2018 10:03:13 AM  
**Time Spent:** 00:01:12  
**IP Address:** 4.16.30.210

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Page 1

**Q1** First Name (Optional)

Stephanie

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**Q2** Last Name (Optional)

Hopper

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**Q3** Organization (Optional)

Canndescent

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**Q4** Title (Optional)

Government Affairs

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

Advertising of products. All advertising for cannabis should be limited to licensed cannabis businesses. Requiring the license number to be placed on advertisements is a good approach. Allowing licensed cannabis businesses to advertise in places similar to alcohol and tobacco should be allowed. It is a legal substance and should be treated the same in the state of California. The alcohol framework has been used to establish the rules and regulations which should encompass advertising as well. In addition, cannabis businesses should be allowed to do public service announcements (PSA). The Good To Know campaign in Colorado is run by the Health Department with contributions from the cannabis industry. The cannabis industry has continued to elaborate on the campaign by creating more messaging and placing in dispensaries.

Sampling of products. Cannabis businesses need a legal way to provide samples of their products to dispensaries and budtenders. This practice occurs in other regulated markets and helps companies get their products on dispensary shelves. Those dispensaries that are still working with co-ops are taking samples of cannabis products from co-op participants and filling the shelves. Regulated products have no current way to compete for the shelf space, limiting the legal sales channels, and harming the regulated industry.

Taxing product at first transfer. It would be better to tax product when it is ready to be transferred for human consumption. Flower could be taxed at first transfer to a distributor if it is intended to be sold as flower. If a cultivator is transferring product to a processor for drying trimming and packaging, the product should be taxed at the point it is ready to be transferred to a distributor for consumption. Taxing cannabis prior to drying will lead to a more complex system by taxing product that was not intended for the commercial market (leaves and stems), and will lead to more refunds due to product being destroyed at processing versus moving on to the commercial market place.

Return of product. Flower should be able to be returned to a distributor or cultivation from a dispensary. If a dispensary claims products are of inferior quality and requests a replacement, the producer of the product needs a way to inspect and confirm that product is in fact inferior and the weight is accounted for. The current system allows dispensaries to request replacements, obtain the replacement, and keep the product on their word they will destroy it. This is a loop hole that could lead to diversion at any license type. It would be better to remove product and destroy it at facilities that have the proper resources and equipment.

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# #15

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:25:30 AM  
**Last Modified:** Wednesday, February 21, 2018 10:28:41 AM  
**Time Spent:** 00:03:10  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

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# #16

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:30:32 AM  
**Last Modified:** Wednesday, February 21, 2018 10:32:51 AM  
**Time Spent:** 00:02:18  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

---

**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

5420. Delivery Request Receipt

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Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

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# #17

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:34:33 AM  
**Last Modified:** Wednesday, February 21, 2018 10:35:14 AM  
**Time Spent:** 00:00:41  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

---

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

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# #18

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:35:26 AM  
**Last Modified:** Wednesday, February 21, 2018 10:36:29 AM  
**Time Spent:** 00:01:02  
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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

---

**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

# #19

COMPLETE

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**Last Modified:** Wednesday, February 21, 2018 10:38:35 AM  
**Time Spent:** 00:01:54  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

---

**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization.

Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is also an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

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#20

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:39:24 AM  
**Last Modified:** Wednesday, February 21, 2018 10:40:11 AM  
**Time Spent:** 00:00:47  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

---

**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

Commercial vehicle ownership

Recommendation: Allow employees to incorporate and own their vehicles. This is more cost-effective. Follow the TNC model (Lyft/Uber).

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# #21

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 10:43:47 AM  
**Time Spent:** 00:01:12  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

Compassionate Use

Recommendation: Create policy that allows for and encourages donations to compassion programs. Associated tax and administrative provisions should not penalize suppliers who provide free goods to such programs.

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#22

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:45:38 AM  
**Last Modified:** Wednesday, February 21, 2018 10:47:22 AM  
**Time Spent:** 00:01:44  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

---

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

Local taxation, and fair market burdens

The legalization of cannabis was meant to provide customers and patients with safe access to cannabis as well as provide the state with additional revenue. However many local jurisdictions have also imposed gross receipts tax on cannabis businesses that far outweighs the taxation on any other industry. Combined with state excise tax, and the complexity of the supply chain, this results in lower margins, and can make small businesses non-competitive with the larger market solely based on where they operate.

Recommendation: In order to give the entire industry a level playing field no matter where they operate, and to control the overall tax burden of a new industry, we propose capping county and municipal level local gross receipts taxes on manufacturers at 2%. Please also clarify tax collection as it relates to manufacturers.

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#23

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:51:51 AM  
**Last Modified:** Wednesday, February 21, 2018 10:52:54 AM  
**Time Spent:** 00:01:03  
**IP Address:** 76.103.225.148

Page 1

**Q1 First Name (Optional)**

Menaka

**Q2 Last Name (Optional)**

Mahajan

**Q3 Organization (Optional)**

Respondent skipped this question

**Q4 Title (Optional)**

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee****Q6 Feedback for Subcommittee**

I previously worked for a public agency (local level) on small business friendly policy/legislation and now work as a strategic and policy advisor within the cannabis industry. I have heard from many small businesses about the various provisions in the law that reduce their competitiveness against larger, better funded businesses and could put the smaller entrepreneurs out of business, as well as the challenges created for patients who are adapting to a different regulatory environment as they try to obtain their medicine. A large group of us have spent considerable time reviewing the regulations together and developing recommendations. Thank you very much for all your efforts to solicit feedback from the community and to develop regulations that are effective from a regulatory perspective, while keeping in mind the challenges of small operators who form the backbone of the cannabis industry. Please don't hesitate to reach out if I can be of service in crafting the formal regulations.

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Expand allowable event locations. B.C.G. 2020067

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#24

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 11:03:05 AM  
**Time Spent:** 00:00:14  
**IP Address:** 198.189.249.57

Page 1

**Q1** First Name (Optional)

Stephani

**Q2** Last Name (Optional)

Smith

**Q3** Organization (Optional)

Respondent skipped this question

**Q4** Title (Optional)

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

To Whom It May Concern,

With the State's legalization of adult-use cannabis, numerous ancillary industries have arisen in response to new and pending regulations. I've recognized there is a lack of consideration for cannabis waste in particular. This is a concern of mine due to the increasing number of cultivation, manufacturing and retailer licenses being granted within the state without identified guidelines and/or regulations regarding safe disposal of cannabis byproduct and cannabis waste.

Cannabis waste is expansive and differs from cultivators, manufacturers, and retailers. As such, it would also be prudent to clarify streams of waste by industry vertical. For example, cannabis waste runs the gamut of post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items, and more. Currently, certain streams of cannabis waste are frequently mistaken with safe-to-consume products, posing a risk to children and disenfranchised individuals.

It is my recommendation that regulations reflect who is qualified to handle cannabis waste. A licensed cannabis waste handler ought to be contracted for each cannabis cultivator, manufacturer, and retail site to combat the negative repercussions cannabis waste has on human and environmental health. The inclusion of such a standard will complete the symbiotic relationship between key stakeholders—the environment, the public and the industry.

#25

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 11:14:16 AM  
**Last Modified:** Wednesday, February 21, 2018 11:14:31 AM  
**Time Spent:** 00:00:14  
**IP Address:** 192.92.176.114

Page 1

**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. Retailers Subcommittee

**Q6** Feedback for Subcommittee

How will waste be managed?



#26

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 12:16:06 PM  
**Last Modified:** Wednesday, February 21, 2018 12:19:11 PM  
**Time Spent:** 00:03:04  
**IP Address:** 96.68.159.125

Page 1

**Q1** First Name (Optional)

Tim

**Q2** Last Name (Optional)

Blake

**Q3** Organization (Optional)

The Emerald Cup

**Q4** Title (Optional)

Founder of The Emerald Cup

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

1. Overnight Security at Temporary Events - Section 5402 of the BCC's Emergency Regulations requires that all retail sales conducted at temporary events comply with Section 5403 which provides guidance pertaining to the retail premises 'when not open' to consumers. Under Section 5403, the retail sale premises must be:

Securely locked with commercial-grade, non-residential door locks;

Equipped with an active alarm system;

And only allow employees and contractors of the retailer to enter the premises when the retailer is not open.

As a temporary event the Emerald Cup currently works with approximately 250 cannabis goods suppliers who conduct their sales out of 10'x10' and 10'x20' temporary vending areas. These vending areas are generally located in either an 'open air' setting secured by a perimeter fence, within a fully enclosed commercial grade tent structure, or within a permanent building. The current requirements associated with overnight security are not realistically applicable to temporary events. Establishing temporary alarm systems poses incredible expense to temporary event license holders and the locked area requirements could also prove to be quite challenging. Additionally, we fear that the requirement for the 'retailer' to provide the contracted security of each retail area would create chaos at temporary events.

Suggested Solutions: The Emerald Cup Team respectfully requests that the BCC establish overnight security requirements that are specific to temporary events. Such requirements should include the following security protocols:

All 'open air' areas where cannabis goods are sold should be securely fenced with lockable ingress and egress gates that must remain locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a permanent structure then all windows and doors associated with that structure must remain closed and locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a temporary structure, and the temporary structure is constructed with solid walls that extend from the floor or ground to the ceiling of the structure, AND the temporary structure is equipped with locking doors, then the temporary structure must remain locked at all times when sales are NOT being conducted;

In addition to the requirements outlined above, the licensed event organizer must provide contracted security personnel to monitor all areas where cannabis goods will be sold for the entire duration that cannabis goods are on the temporary event premises.

2. Sales at Temporary Cannabis Events - Currently the BCC's Emergency Regulations require that only employees of a licensed retail entity are allowed to conduct the sale of cannabis goods at temporary events. However, the Emerald Cup was established to create a farmer's market type opportunity that allows the consumer to interact with the farmer directly and the farmer to conduct direct to consumer sales. With that said, The Emerald Cup team respectfully requests that independent contractors be allowed to engage in the sale of cannabis goods at compliant temporary events. This request would allow farmers to participate in compliant events, and represent their products in partnership with licensed retail entities. Additionally, we urge the subcommittees to recommend that farmers who obtain a microbusiness license be allowed to conduct sales at compliant events and that these sales serve to fulfill the retail activity of the microbusiness license without also requiring a 'brick and mortar' dispensary or a 'delivery' type dispensary permit from a local jurisdiction. For example, a licensee should be able to qualify for a microbusiness license if he or she cultivates 10,000 SF or less, conducts distribution (or nonvolatile solvent manufacturing) and conducts retail sales at compliant events.

3. Tobacco and Alcohol Sales and Consumption: It is our current interpretation of the temporary event regulations that alcohol and tobacco sales and consumption will be allowed at temporary cannabis events so long as the alcohol and tobacco sales and consumption areas are:

Conducted in a unique and clearly identified area that is separate from all cannabis sales and consumption; AND

Conducted by an entity that is separate from the entity holding the cannabis organizer license.

Currently, most large venues such as County Fairgrounds, reserve the right to conduct the alcohol sales which establishes revenue for the venue and reduces the cost associated with hosting a temporary event. Preserving this ability is a critical component to continuing temporary events at many venues. The Emerald Cup Team respectfully requests that the BCC continue to allow alcohol and tobacco sales and consumption when conducted in the manner outlined above and issue an FAQ clarifying these activities.

#27

**Collector:** Web Link 1 (Web Link)  
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**IP Address:** 96.68.159.125

Page 1

**Q1** First Name (Optional)

Hazel

**Q2** Last Name (Optional)

Bagwell

**Q3** Organization (Optional)

The Emerald Cup

**Q4** Title (Optional)

Sponsor/ Vendor Director

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

1. Overnight Security at Temporary Events - Section 5402 of the BCC's Emergency Regulations requires that all retail sales conducted at temporary events comply with Section 5403 which provides guidance pertaining to the retail premises 'when not open' to consumers. Under Section 5403, the retail sale premises must be:

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Equipped with an active alarm system;

And only allow employees and contractors of the retailer to enter the premises when the retailer is not open.

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Suggested Solutions: The Emerald Cup Team respectfully requests that the BCC establish overnight security requirements that are specific to temporary events. Such requirements should include the following security protocols:

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If cannabis goods are to be sold at a temporary event within a permanent structure then all windows and doors associated with that structure must remain closed and locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a temporary structure, and the temporary structure is constructed with solid walls that extend from the floor or ground to the ceiling of the structure, AND the temporary structure is equipped with locking doors, then the temporary structure must remain locked at all times when sales are NOT being conducted;

In addition to the requirements outlined above, the licensed event organizer must provide contracted security personnel to monitor all areas where cannabis goods will be sold for the entire duration that cannabis goods are on the temporary event premises.

2. Sales at Temporary Cannabis Events - Currently the BCC's Emergency Regulations require that only employees of a licensed retail entity are allowed to conduct the sale of cannabis goods at temporary events. However, the Emerald Cup was established to create a farmer's market type opportunity that allows the consumer to interact with the farmer directly and the farmer to conduct direct to consumer sales. With that said, The Emerald Cup team respectfully requests that independent contractors be allowed to engage in the sale of cannabis goods at compliant temporary events. This request would allow farmers to participate in compliant events, and represent their products in partnership with licensed retail entities. Additionally, we urge the subcommittees to recommend that farmers who obtain a microbusiness license be allowed to conduct sales at compliant events and that these sales serve to fulfill the retail activity of the microbusiness license without also requiring a 'brick and mortar' dispensary or a 'delivery' type dispensary permit from a local jurisdiction. For example, a licensee should be able to qualify for a microbusiness license if he or she cultivates 10,000 SF or less, conducts distribution (or nonvolatile solvent manufacturing) and conducts retail sales at compliant events.

3. Tobacco and Alcohol Sales and Consumption: It is our current interpretation of the temporary event regulations that alcohol and tobacco sales and consumption will be allowed at temporary cannabis events so long as the alcohol and tobacco sales and consumption areas are:

Conducted in a unique and clearly identified area that is separate from all cannabis sales and consumption; AND

Conducted by an entity that is separate from the entity holding the cannabis organizer license.

Currently, most large venues such as County Fairgrounds, reserve the right to conduct the alcohol sales which establishes revenue for the venue and reduces the cost associated with hosting a temporary event. Preserving this ability is a critical component to continuing temporary events at many venues. The Emerald Cup Team respectfully requests that the BCC continue to allow alcohol and tobacco sales and consumption when conducted in the manner outlined above and issue an FAQ clarifying these activities.

#28

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 12:34:35 PM  
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**IP Address:** 45.48.229.173

Page 1

**Q1** First Name (Optional)

Rachel

**Q2** Last Name (Optional)

O.

**Q3** Organization (Optional)

Somatik

**Q4** Title (Optional)

Sales

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Delivery/Retail Subcommittee 13

- a. Methods of Delivery (Title 16, California Code of Regulations, Sections 5415- 5421) 13
- b. Advertising Rules and Placement (Title 16, California Code of Regulations, Sections 5040-5041) 13
- c. Operating Hours Limits (Title 16, California Code of Regulations, Section 5403) 13
- d. Delivery Hours Limits (Title 16, California Code of Regulations, Section 5403) 13
- e. Physical Requirements for Premises 13
- f. Banking 13
- g. Cost (Taxation, Fees, and Insurance) 13
- h. Waste and Product Disposal 13
- i. Sampling of Products 13
- j. Special Events 13
- k. Adult-use / Medical (A/M) Licensing 13
- l. Compassionate Use Program m. Product Liability 13
- 5411. Free Cannabis Goods 13
- Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e) 13
- 5417. Methods of Delivery <<<---DONE 15
- 5420. Delivery Request Receipt <<<---DONE 16
- Expand allowable event locations: BPC § 26200(e) 16
- Delivery--Moved to Delivery Section By Sharon 17

## #29

**Collector:** Web Link 1 (Web Link)  
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Page 1

**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

**Q6** Feedback for Subcommittee

Delivery/Retail Subcommittee

3/1 subcommittee meeting topics:

- a. Methods of Delivery (Title 16, California Code of Regulations, Sections 5415- 5421)
- b. Advertising Rules and Placement (Title 16, California Code of Regulations, Sections 5040-5041)
- c. Operating Hours Limits (Title 16, California Code of Regulations, Section 5403)
- d. Delivery Hours Limits (Title 16, California Code of Regulations, Section 5403)
- e. Physical Requirements for Premises
- f. Banking
- g. Cost (Taxation, Fees, and Insurance)
- h. Waste and Product Disposal
- i. Sampling of Products
- j. Special Events
- k. Adult-use / Medical (A/M) Licensing
- l. Compassionate Use Program m. Product Liability

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

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Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*



## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#30

**Collector:** Web Link 1 (Web Link)  
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**Time Spent:** 00:04:39  
**IP Address:** 173.247.202.158

Page 1

**Q1 First Name (Optional)**

Margot

**Q2 Last Name (Optional)**

Wampler

**Q3 Organization (Optional)**

Lifted Logistics

**Q4 Title (Optional)**

CEO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

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\*\*\*

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Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

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Expand allowable event locations: BPC § 26200(e)

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

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#31

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**Time Spent:** 00:02:24  
**IP Address:** 73.241.141.254

Page 1

**Q1** First Name (Optional)

Luna

**Q2** Last Name (Optional)

Respondent skipped this question

**Q3** Organization (Optional)

Respondent skipped this question

**Q4** Title (Optional)

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

5411. Free Cannabis Goods

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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5417. Methods of Delivery



## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

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Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

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Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

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Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. There are excellent opportunities for direct education, perhaps more important than a flower or a playlist.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

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#32

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:39:37 PM  
**Last Modified:** Wednesday, February 21, 2018 1:45:37 PM  
**Time Spent:** 00:05:59  
**IP Address:** 192.195.80.217

Page 1

**Q1 First Name (Optional)**

Christopher

**Q2 Last Name (Optional)**

Schroeder

**Q3 Organization (Optional)**

A Tribe Of Us

**Q4 Title (Optional)**

Founder

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Thank you so much for all of your help with on the subcommittee and regulatory boards. We are really happy that you are working with us to ensure safe access for consumers as well as protecting businesses ability to thrive. These are comments I worked on with 40 other operators in San Francisco. Many of us are still waiting for our temporary state licenses, many us already have them and I think this feedback comes from a wide range of industry expects and experience levels and hopefully you'll find our recommendations reasonable and through provoking. Thanks again for all you do!

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

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(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography. Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery. Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

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Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#33

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:40:19 PM  
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**IP Address:** 173.239.68.142

Page 1

**Q1 First Name (Optional)**

Anthony

**Q2 Last Name (Optional)**

Rangel

**Q3 Organization (Optional)**

East Bay Healing Alliance

**Q4 Title (Optional)**

Compassion Programs

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Offering free sample medical cannabis may be valuable to new patients discovering what type of cannabis therapy works best for them. However this does not address offering patients discounted or free medical cannabis. Our suggestion would be to align with current regulations for pharmacies/health care providers to offering patient care programs. This may be accomplished by allowing a 501c to administer the program either in partnership with current medical providers and/or in a facility specifically licensed for general nonprofit activity. We are available for question at eastbayhealingalliance@gmail.com

East Bay Healing Alliance  
501c(4) organization

#34

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:54:50 PM  
**Last Modified:** Wednesday, February 21, 2018 1:55:42 PM  
**Time Spent:** 00:00:51  
**IP Address:** 96.68.159.125

Page 1

**Q1** First Name (Optional)

Jim

**Q2** Last Name (Optional)

Lewi

**Q3** Organization (Optional)

Red Light Management

**Q4** Title (Optional)

Co- Producer

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**



## Q6 Feedback for Subcommittee

1. Overnight Security at Temporary Events - Section 5402 of the BCC's Emergency Regulations requires that all retail sales conducted at temporary events comply with Section 5403 which provides guidance pertaining to the retail premises 'when not open' to consumers. Under Section 5403, the retail sale premises must be:

Securely locked with commercial-grade, non-residential door locks;

Equipped with an active alarm system;

And only allow employees and contractors of the retailer to enter the premises when the retailer is not open.

As a temporary event the Emerald Cup currently works with approximately 250 cannabis goods suppliers who conduct their sales out of 10'x10' and 10'x20' temporary vending areas. These vending areas are generally located in either an 'open air' setting secured by a perimeter fence, within a fully enclosed commercial grade tent structure, or within a permanent building. The current requirements associated with overnight security are not realistically applicable to temporary events. Establishing temporary alarm systems poses incredible expense to temporary event license holders and the locked area requirements could also prove to be quite challenging. Additionally, we fear that the requirement for the 'retailer' to provide the contracted security of each retail area would create chaos at temporary events.

Suggested Solutions: The Emerald Cup Team respectfully requests that the BCC establish overnight security requirements that are specific to temporary events. Such requirements should include the following security protocols:

All 'open air' areas where cannabis goods are sold should be securely fenced with lockable ingress and egress gates that must remain locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a permanent structure then all windows and doors associated with that structure must remain closed and locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a temporary structure, and the temporary structure is constructed with solid walls that extend from the floor or ground to the ceiling of the structure, AND the temporary structure is equipped with locking doors, then the temporary structure must remain locked at all times when sales are NOT being conducted;

In addition to the requirements outlined above, the licensed event organizer must provide contracted security personnel to monitor all areas where cannabis goods will be sold for the entire duration that cannabis goods are on the temporary event premises.

2. Sales at Temporary Cannabis Events - Currently the BCC's Emergency Regulations require that only employees of a licensed retail entity are allowed to conduct the sale of cannabis goods at temporary events. However, the Emerald Cup was established to create a farmer's market type opportunity that allows the consumer to interact with the farmer directly and the farmer to conduct direct to consumer sales. With that said, The Emerald Cup team respectfully requests that independent contractors be allowed to engage in the sale of cannabis goods at compliant temporary events. This request would allow farmers to participate in compliant events, and represent their products in partnership with licensed retail entities. Additionally, we urge the subcommittees to recommend that farmers who obtain a microbusiness license be allowed to conduct sales at compliant events and that these sales serve to fulfill the retail activity of the microbusiness license without also requiring a 'brick and mortar' dispensary or a 'delivery' type dispensary permit from a local jurisdiction. For example, a licensee should be able to qualify for a microbusiness license if he or she cultivates 10,000 SF or less, conducts distribution (or nonvolatile solvent manufacturing) and conducts retail sales at compliant events.

3. Tobacco and Alcohol Sales and Consumption: It is our current interpretation of the temporary event regulations that alcohol and tobacco sales and consumption will be allowed at temporary cannabis events so long as the alcohol and tobacco sales and consumption areas are:

Conducted in a unique and clearly identified area that is separate from all cannabis sales and consumption; AND

Conducted by an entity that is separate from the entity holding the cannabis organizer license.

Currently, most large venues such as County Fairgrounds, reserve the right to conduct the alcohol sales which establishes revenue for the venue and reduces the cost associated with hosting a temporary event. Preserving this ability is a critical component to continuing temporary events at many venues. The Emerald Cup Team respectfully requests that the BCC continue to allow alcohol and tobacco sales and consumption when conducted in the manner outlined above and issue an FAQ clarifying these activities.

#35

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**Time Spent:** 00:01:14  
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Page 1

**Q1** First Name (Optional)

Bridget

**Q2** Last Name (Optional)

May

**Q3** Organization (Optional)

Little Green Bee

**Q4** Title (Optional)

Respondent skipped this question

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**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

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A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

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The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

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Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

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Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

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5417. Methods of Delivery

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In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

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Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

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#36

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Page 1

**Q1 First Name (Optional)**

Clayton

**Q2 Last Name (Optional)**

Coker

**Q3 Organization (Optional)**

Somatik

**Q4 Title (Optional)**

Co-founder

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**Retailers Subcommittee**

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#37

**Collector:** Web Link 1 (Web Link)  
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**IP Address:** 67.160.241.41

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**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

**Q6** Feedback for Subcommittee

I am a true medical patient. There is NO reason whatsoever that I should be penalized with increased prices on my medicine to cover taxes so that the healthy can enjoy getting high. Charge what you want but not to medical patients!

#38

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:06:23 PM  
**Last Modified:** Wednesday, February 21, 2018 2:08:57 PM  
**Time Spent:** 00:02:34  
**IP Address:** 73.71.68.152

Page 1

**Q1** First Name (Optional)

David

**Q2** Last Name (Optional)

McCullick

**Q3** Organization (Optional)

Magnolia wellness

**Q4** Title (Optional)

Consultant

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6** Feedback for Subcommittee

Taxes are way too high. People want edibles over 100 mg THC.

#39

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:55:03 PM  
**Last Modified:** Wednesday, February 21, 2018 2:30:04 PM  
**Time Spent:** 00:35:00  
**IP Address:** 67.160.198.33

Page 1

**Q1 First Name (Optional)**

Michelle

**Q2 Last Name (Optional)**

Dizitser

**Q3 Organization (Optional)**

Kannibox

**Q4 Title (Optional)**

Founder and CEO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

KANNIBOX IS A SOCIALLY RESPONSIBLE COMPANY PROVIDING AN EASY WAY FOR PEOPLE TO DISCOVER DIFFERENT TYPES OF CANNABIS AND TRY PRODUCTS THROUGH A PERSONALIZED SAMPLE SUBSCRIPTION BOX

OUR GOAL AT IS TO HELP SMALL BUSINESS THRIVE BY PROVIDING THEM A PLATFORM AND A CHANNEL TO MARKET. WE WANT TO SEE THE ILLICIT CANNABIS MARKET DISAPPEAR BY GIVING OPPORTUNITIES FOR SMALL BUSINESS TO HAVE A VOICE AND REACH THEIR TARGET CONSUMERS.

WE FEEL THAT SOME OF THE HURDLES THAT HAVE BEEN CREATED BY THE CURRENT REGULATIONS, HAVE HAMPERED THE POTENTIAL SUCCESS OF SMALL BUSINESSES BY NOT GIVING THEM A REASONABLE PATH TO GET TO LEGALIZATION, AND THUSLY HAS POSITIONED THE ILLICIT MARKET TO THRIVE.

KANNIBOX AIMS TO EDUCATE CONSUMERS ABOUT ALL DIFFERENT TYPES OF CONSUMPTION METHODS, DOSING, AND WHAT WORKS BEST FOR THEM AS INDIVIDUALS. HEALTH AND SAFETY IS A NUMBER ONE PRIORITY. IF WE HAVE

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

EDUCATED CONSUMERS WHO UNDERSTAND WHAT THEY ARE CONSUMING, WE WILL HAVE A STRONGER AND MORE COMPASSIONATE MARKET.

WE ARE APPLYING FOR A BOTH MEDICAL AND ADULT USE MICROBUSINESS LICENSES.

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

I would also like to request to allow for delivery drivers the ability to pick up products directly from distributors. As a non storefront retailer with an individualized box subscription model, my main goal is the ability to service patients and consumers across the state. The current regulations make it practically impossible to service customers in markets that are too far from my location. By allowing licensed drivers to pick up products directly from distributors, would allow the ability for my business and others to serve remote markets with direct access to consumers

#40

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:37:21 PM  
**Last Modified:** Wednesday, February 21, 2018 2:43:50 PM  
**Time Spent:** 00:06:29  
**IP Address:** 75.109.248.157

Page 1

**Q1 First Name (Optional)**

Nikki

**Q2 Last Name (Optional)**

Dean

**Q3 Organization (Optional)**

Humboldt Patient Resource Center

**Q4 Title (Optional)**

Inventory Manager

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Would love for clarification on adult use concentrate/edible limits. The way the current legislation is written is vague with regards to the 8 gram concentrate limit which also applies to cannabis concentrate in manufactured products. The problem with this is that the state is asking for the weight or volume of cannabis concentrate in a manufactured product, but cannabis products are not measured in terms of the weight or volume of concentrate contained within them, rather in the potency/cannabinoid content of the concentrate. For example a half gram concentrate could contain 100mg of THC or a 1000mg of THC. There should be either a total mg of THC limit or that verbage should be removed.



# #41

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:54:29 PM  
**Last Modified:** Wednesday, February 21, 2018 2:57:27 PM  
**Time Spent:** 00:02:57  
**IP Address:** 76.102.106.134

Page 1

## Q1 First Name (Optional)

Jane

## Q2 Last Name (Optional)

Eisner

## Q3 Organization (Optional)

Wildflower Press

## Q4 Title (Optional)

Co-Founder/CEO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

We are a small business who wish the following to be reflected in the regulations.

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

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(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

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Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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\*\*\*

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In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

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This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#42

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:57:43 PM  
**Last Modified:** Wednesday, February 21, 2018 2:59:23 PM  
**Time Spent:** 00:01:39  
**IP Address:** 76.102.106.134

Page 1

**Q1 First Name (Optional)**

Ryan

**Q2 Last Name (Optional)**

Armistead

**Q3 Organization (Optional)**

Wildflower Press

**Q4 Title (Optional)**

Co-Founder/COO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

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Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

Thank you.

## #43

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:54:15 PM  
**Last Modified:** Wednesday, February 21, 2018 2:59:31 PM  
**Time Spent:** 00:05:15  
**IP Address:** 108.163.144.36

Page 1

### Q1 First Name (Optional)

Deborah

### Q2 Last Name (Optional)

Sadler

### Q3 Organization (Optional)

CBCB Berkeley

### Q4 Title (Optional)

General Manager

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

### Q6 Feedback for Subcommittee

FOR "Delivery/Retail Subcommittee:"

"5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer: ISSUE -- Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

5417. Methods of Delivery: (a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee. {ISSUE} -- The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment. Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle. In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

5420. Delivery Request Receipt: "A retailer shall prepare a delivery request receipt for each delivery of cannabis goods." {ISSUE} -- Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

\* Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e) ISSUe: -- Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community. Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone. Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume. This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home."

#44

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:48:38 PM  
**Last Modified:** Wednesday, February 21, 2018 3:01:07 PM  
**Time Spent:** 00:12:29  
**IP Address:** 68.186.52.81

Page 1

**Q1** First Name (Optional)

André

**Q2** Last Name (Optional)

Thom

**Q3** Organization (Optional)

Kayf Club, Inc.

**Q4** Title (Optional)

Founder and President

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

- 1) Please remove caps on milligrams of THC. Having more money to spend on more products voids the point of the cap. Again, THC has never killed a person. This rule is not based on risk assessment studies. Please create rules on actual harm to society.
- 2) Please eliminate the packaging requirements. Again, THC has never killed a child. Why require packaging harmful to the environment just to prevent the unlikely event a child consumes cannabis with a zero chance of death from direct overdose. Child-proof packaging isn't required for liquor. Please, be fair.
- 3) Please allow on-site consumption if a retailer can show proof of insurance covering liability associated with on-site consumption. Again, look to the regulation of restaurants, bars and wineries.

Thank you for your time and consideration,

André

#45

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:32:33 PM  
**Last Modified:** Wednesday, February 21, 2018 3:12:08 PM  
**Time Spent:** 00:39:34  
**IP Address:** 24.130.33.16

Page 1

**Q1** First Name (Optional)

Caleb

**Q2** Last Name (Optional)

Kouns

**Q3** Organization (Optional)

Lifted SF

**Q4** Title (Optional)

Owner

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**



**Q6 Feedback for Subcommittee**

To whom it may concern:

My name is Caleb Kouns and I am the owner of Lifted SF, a non-storefront delivery-only retail cannabis business operating in San Francisco since 2010. I would like to submit feedback on the following items:

-Agenda Item A, Methods of Delivery: I suggest adopting a tiered method for allowed delivery vehicles. Unenclosed vehicles with locking cargo cases should be allowed, but should not carry more than \$1000 in product. Enclosed vehicles should with lockboxes should have a limit of \$5000, and there should be a third tier with a higher carrying limit and higher security requirements.

-Agenda Items C & D, Hours of Operation: Limits of operating hours should be expanded, if not lifted altogether. There is little or no evidence to support the supposition that there is a higher risk to delivery during later hours. I propose that the hours of operation/delivery be expanded to midnight, or the limit should be removed altogether.

-Agenda Item E, Physical Requirements of Business: I suggest removing the requirement for security personnel monitoring the front door for delivery only businesses. The very nature of a delivery only operation negates the need for a guard on the door. There is no foot traffic, no customers, on employees and vendors and as such there is little or no exposure to the possibility of theft. And on this note, the requirement for delivery receipts should definitely be removed for delivery-only retail. This requirement exposes the location of our businesses, putting our security in jeopardy.

Thank you for your time and consideration.

## #46

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:16:36 PM  
**Last Modified:** Wednesday, February 21, 2018 3:18:25 PM  
**Time Spent:** 00:01:48  
**IP Address:** 73.170.73.252

Page 1

**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

## Q6 Feedback for Subcommittee

Constance Therapeutics is a medicinal cannabis company producing standardized, science-based whole-plant cannabis extracts. These extracts fill the gap between traditional pharmaceuticals and commonplace cannabis products, providing much needed additional treatment options for physicians and their patients. Since 2008, the company has employed stringent, science-based processes and standards to ensure the highest quality and consistency. Headquartered in San Francisco, CA, Constance Therapeutics' cannabis extracts have historically been available exclusively for therapeutic use by registered California patients under Proposition 215 and California Senate Bill 420, without a single recreational user.

### 5417. Methods of Delivery

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound. Our average sale for the seriously ill physician referred patients we work with is \$6500, which means patients would require 3 separate deliveries to get a single purchase.

### Physical Requirements for Premises

Requiring 24/7 recorded surveillance, kept for 90 days is unnecessary and cost prohibitive

Having cameras that record on motion events means any activity on the premises will be recorded for the purposes of surveillance. 30 days is sufficient time to monitor recordings as any illegal or suspicious activity will be known within a 30 day period.

#47

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:00:21 PM  
**Last Modified:** Wednesday, February 21, 2018 3:19:31 PM  
**Time Spent:** 00:19:10  
**IP Address:** 104.7.66.96

Page 1

**Q1 First Name (Optional)**

Andrea

**Q2 Last Name (Optional)**

Brooks

**Q3 Organization (Optional)**

SAVA

**Q4 Title (Optional)**

Founder

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

I am the owner of a delivery and lucky to be licensed. I am thrilled to be in the position of being able to be compliant. It's been a lot of hard work, and I expect there to be more work ahead which we will gladly participate in. That said, I also hope that there can be additional adjustments to the regulation that both continue a strong standard of public safety and allow for small businesses to remain in the state of California.

I stand in solidarity with colleagues around these recommendations:

- a. Methods of Delivery (Title 16, California Code of Regulations, Sections 5415- 5421)
- b. Advertising Rules and Placement (Title 16, California Code of Regulations, Sections 5040-5041)
- c. Operating Hours Limits (Title 16, California Code of Regulations, Section 5403)
- d. Delivery Hours Limits (Title 16, California Code of Regulations, Section 5403)
- e. Physical Requirements for Premises
- f. Banking
- g. Cost (Taxation, Fees, and Insurance)

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

- h. Waste and Product Disposal
- i. Sampling of Products
- j. Special Events
- k. Adult-use / Medical (A/M) Licensing
- l. Compassionate Use Program m. Product Liability

### 5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

### (1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#48

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**Last Modified:** Wednesday, February 21, 2018 3:19:39 PM  
**Time Spent:** 00:35:27  
**IP Address:** 75.109.248.157

Page 1

**Q1** First Name (Optional)

Nikki

**Q2** Last Name (Optional)

Dean

**Q3** Organization (Optional)

Humboldt Patient Resource Center

**Q4** Title (Optional)

Inventory Manager

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**



**Q6 Feedback for Subcommittee**

I fully support the items that the

California Grower's Association talks about in their recent report on the state of the legal cannabis industry. In particular I want to emphasize how legalization has impacted the cannabis community in Humboldt County. We have lost more than 60% of our local vendors to legalization--small mom and pop cultivators and manufacturers that are the foundation upon which this industry was built. We are a small rural community that is used to buying and producing locally. Now, I am having to bring in products from as far away as San Diego because so many of our vendors are not permitted. Some have not gotten permitted because of the high cost of building commercial kitchens, extraction facilities and getting rural off-grid properties up to OSHA codes; others because there is limited space that has been zoned for cannabis cultivation; and still others have all of their paperwork submitted and are waiting on local, county and state agencies to be able to process their applications in a timely manner. I am having to turn away hard working people that we have had relationships with FOR YEARS (our collective has been in operation since 1999) and it is heartbreaking. Our compassion program has donated free medicine to sick and dying members of our community for over 15 years, working closely with our local hospice. In order to continue to be able to provide free medicine we must ask these patients to give up their HIPPA protection and register with the state. There is not a single pharmaceutical product that requires someone to register in a database saying they take a given medicine. Many of these same patients are on state or federal assistance, or are registered gun owners and can no longer qualify for our donation program. Again, this has been devastating and heartbreaking for our staff to try and explain to sick patients. The medical cannabis market existed and evolved for the last 20 years and yet in the last 2 years the adult use legislation was pushed through by people who have absolutely no understanding of the industry, the plant, and the people who rely on this medicine in their everyday lives. The only things that needed to be done to the industry to make it safe was to apply the same lab testing we always had universally across all products; have the state take a modest tax rate (5-7% max); create a financial system for the cannabis industry. The cost of doing business in 2018 will ultimately get pushed onto the consumer, which will have the greatest impact upon our lower-income and minority patients and guests. Allow cannabis businesses to take normal business deductions. Provide a financial/banking system for this industry. Make it easier for PEOPLE and SMALL, LOCAL businesses to participate---not for well funded corporations. Finally, stop over-taxing our patients and guests. 15% is unsustainable!

#49

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:36:02 PM  
**Last Modified:** Wednesday, February 21, 2018 3:38:43 PM  
**Time Spent:** 00:02:40  
**IP Address:** 74.62.3.2

Page 1

**Q1** First Name (Optional)

John

**Q2** Last Name (Optional)

Plata

**Q3** Organization (Optional)

Legal Department, Agua Caliente Band of Cahuilla Indians

**Q4** Title (Optional)

General Counsel

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

RETAILERS SUBCOMMITTEE

PUBLIC COMMENT 03-01-18

Title 16, Division 42 of the California Code of Regulations (BCC)

These comments are submitted on behalf of the Office of General Counsel of the Agua Caliente Band of Cahuilla Indians (Tribe). The Office of General Counsel appreciates the opportunity to provide comments on these regulations, which affect issues of local, state, and tribal jurisdiction. The very abbreviated regulatory process adopting the emergency regulations did not satisfy the mandate in Executive Order B-10-11 which provides that all executive agencies shall consult with California Indian Tribes to ensure tribal governments are afforded the opportunity to provide “meaningful input into the development of legislation, regulations, rules, and policies on matters that may affect tribal communities.” The emergency regulations do not adequately take into account the unique status of federally recognized Indian tribes, tribal sovereignty, and tribal-state relations within the state of California.

1. We propose that the Subcommittee pass a motion recommending striking Section 5009(a) and (c) in their entirety. Section 5009(a) of the BCC regulations requires that a federally recognized Indian tribe waive any sovereign immunity defense that the applicant may have to obtain a state license and purports to subject tribes to state civil regulatory laws. If a tribe remains unlicensed, it will be a violation for state licensed entities to conduct commercial cannabis activity with the tribe. See Section 5032. This is a significant and unnecessary intrusion into tribal sovereignty by the state.

2. We propose that the Subcommittee pass a motion recommending that Section 5009(b) be amended to additionally require that the state shall not approve an application for a state license if approval of the license would violate the provisions of tribal law. To ensure licenses are only issued in jurisdictions that have authorized commercial cannabis activity, if a tribe provides its applicable law to the state, the state should consider tribal ordinances, tribal enforcement actions, and other applicable tribal authorities in addition to local ordinances and regulations when issuing licenses for commercial cannabis activity. Several sections of the emergency regulations should be revised to reflect that the state will consider applicable tribal law before issuing commercial cannabis licenses or carrying out disciplinary measures, including but not limited to: Section 5001(c)12, Section 5002(c)(20)(M), Section 5002(c)(28), Section 5018(f), Section 5035(c), Section 5037(a)(5), Section 5600(g)(18)(M), Section 5601(d)(8), and Section 5603(e). The Tribe has promulgated a “Commercial Cannabis Prohibition Ordinance,” an Ordinance prohibiting all commercial cannabis activity within its jurisdiction, in close cooperation with cities and the County of Riverside in order to address concerns of overlapping jurisdiction.

We thank you for considering these comments and revisions.

#50

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:28:10 PM  
**Last Modified:** Wednesday, February 21, 2018 3:57:22 PM  
**Time Spent:** 00:29:11  
**IP Address:** 75.82.32.151

Page 1

**Q1** First Name (Optional)

Zachary

**Q2** Last Name (Optional)

Pitts

**Q3** Organization (Optional)

Goddess Delivers and CCDA

**Q4** Title (Optional)

President

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

I have additional concerns beyond the feedback I gave last week regarding delivery:

-The security guard requirement is a fairly significant burden for a delivery service particularly because unlike a storefront retailer we have no customers on site. Security guards are good for crowd control, preventing loss, and discouraging armed robbery when in a storefront because the very point of a storefront is to open up and expose products to the public in a somewhat vulnerable manner. A delivery service does not have these vulnerabilities because there's no legal or justified reason to have the public/customers on site or entering the building.

-Hours of operation. Perhaps this is an issue the entire retail side of the industry faces, but under the emergency rules California has the most stringent closing time requirements compared to other cannabis legal states and significantly out of line with recreational use of alcohol. I think a reasonable cut-off time for retail is midnight, but I think delivery needs to be able to take orders up until midnight but deliver those orders after midnight (just as a retail store can allow customers in until midnight but does not need to complete the transaction). Delivery drivers should also be able to go "off shift" without returning to the office after their last delivery, particularly with delivery services that are cashless.

-Consideration needs to be made for delivery services hoping to service patients/customers in a long range/overnight capacity. Are there ways to preserve the labor and safety considerations while still allowing packages to pass hands between different delivery services? This has been the major oversight of the delivery rules, and many businesses aren't merely following the local pizza parlor delivery model.

# #51

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:59:31 PM  
**Last Modified:** Wednesday, February 21, 2018 4:00:06 PM  
**Time Spent:** 00:00:34  
**IP Address:** 73.70.133.149

Page 1

**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

**Q6** Feedback for Subcommittee

"Packaging: CCR § 40415 [Issue]: Requiring child resistant packaging as stated in the proposed legislation creates significant waste. We urge you to consider the environmental impact from excessive packaging and redundancy: Requiring child resistant packaging is also expensive. The certification process is time consuming and costly. Sourcing certified child resistant packaging is equally cost prohibitive for small manufacturers. Washington state does not require child resistant packaging and have not seen safety issues as a result, and the consumer needs to take responsibility for keeping packaging out of hands of children. We believe there should be a balance regarding responsibility consumer and licensee responsibility.

Products for topical application should have less child-resistant packaging requirements because the danger of ingestion for topicals is low. Topicals should be easy enough to open for those with arthritis. Topicals should not be required to be in child resistant packaging. Instead, should include language "for external use only. Do not eat.

Requiring opaque packaging removes the consumer's ability to interact with a product before purchasing. With proper labeling the consumer is informed of the contents of the product We would like to see the removal of the requirement that edibles be in opaque packaging.

[Recommendations] We are in full support of tamper-evident packaging. It's proven successful in preventing contaminated products getting into the hands of consumers across other well established industries. We support retailers using opaque child-resistant carry-out bags at the point of sale.

Primary Panel Labeling Requirements: CCR § 40405: [Issue] It's unclear whether primary panel includes the lid for items like beverages. This is one of the most visible part of the product to alert consumers the product contains THC, and would give us more flexibility in

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where we can alert the consumer. For example a beverage should be able to put the universal warning symbol on the primary label OR lid.

[Recommendations] clarify primary panel may also be inclusive of the lid to a product.

Universal Symbol: CCR § 40412 [Issue]: Many edible products are small and don't have enough space for all of the requirements including a .5 in graphic. We believe that allowing the universal THC symbol to be .25 in would still be adequate to alert consumers and be more closely aligned with the symbol requirements from other legalized states, while allowing the rest of the required information to have room.

[Recommendations] amend required size of CA state universal symbol to .25 in

Different labeling requirements for topicals: BPC § 26120(c)(1)(B) [Issue]: Topical products should have different labeling requirements based on scientific evidence. Requiring a warning on the label of topical products that states that the product will impair the ability to drive etc, assumes that all cannabis topicals are formulated with a permeation enhancer as one would find in a transdermal product. The epidermis and dermis block migration of cannabinoids into the bloodstream. Without an efficacious delivery of cannabinoids into the circulatory or lymphatic systems, topical cannabis products cannot neither impair judgement or reaction timing, nor induce psychoactive effects. Transdermal cannabis products should certainly contain the prescribed warning about impairment as all other edibles.

[Recommendation] For transdermal products, we recommend maintaining the same warning and packaging guidelines as edibles. For all other topical products, we recommend eliminating the language about "intoxicating effects." We further recommend that topicals be exempted from the child-resistant packaging requirements but that they include the disclaimer "For external use only. Do not ingest." This disclaimer would conform to norms in the cosmetics industry.

100 mg limit for packages/10 mg limit for servings: BPC § 26130(c)(2) : [Issue] --- A 10mg limit per serving a great way to help ensure new patients have a safe experience, and keeps California's regulations in parity with other legalized states. However, a 100mg per package limit is not appropriate for users who may require higher dosage, and patients will slowly learn their own tolerance and be able to set a sensible dose. Much of the cost of goods is burdened by labor, and packaging, so allowing an increased per package limit will help reduce costs of medicine for medical patients, and decrease overall environmental impact.

[Recommendation] Keep a 10mg limit for Adult Use consumers as well as the requirement to delineate or score, but increase the per package limit to 500mg or 1000mg

Single manufacturing license for A & M: CCR § 40115(c) and (d): [Issue] --- This seems to be a redundant cost for applicants seeking both license types, and one that is cost prohibitive for small businesses. Furthermore, dividing the market into two distinct tracks threatens the medicinal cannabis market. Businesses generally see the adult use market as more promising for growth potential and if forced to choose for economic or administrative reasons, they may choose adult use, leaving patients without sufficient products or retailers. For example a small business would need to maintain to completely separate supply chains from seed to sale losing out on economies of scale, and doubling a manufacturer's up front cost to service both markets.

[Recommendation] Please reevaluate whether there is an administrative need to have two license types for suppliers. If an applicant applies for both A&M licenses, is the state agency processing each application separately from start to finish? If not, it is recommended that the state allow a single application for both license types rather than charging to recover costs for two reviews when the process is only completed once. The A & M designations may be logical at the retail level, but not for suppliers.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Businesses need more time to comply with regulations and this extension will allow legislators to pursue statutory change for a single state A&M license.

Shared spaces: CCR § 40190-40199: We are in full support and excited about shared manufacturing spaces! We urge you to define and

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): [Issue] Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults it's reasonable to assume sampling on-site can be done safely. We need to be able to offer sales samples to dispensary buyers. In order to grow our business effectively we need to be able to open up new accounts. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

[Recommendation] We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

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(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale. Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA, and allow manufacturers to more quickly compete in the market.

Recommendation: Above, we outlined ways that we think manufacturers and distributors should be allowed to provide B2B samples, as well as consumer samples. We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup

5411. Free Cannabis Goods: (a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers. A retailer's ability to offer free samples



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will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Sampling (for testing) in final form: BPC § 26100(b) & CCR § 5705(b) and (c): (ISSUE): Requiring the full battery of laboratory tests on every batch of final-form product is both economically onerous and scientifically unsound.

On the economic front, this will be a nearly insurmountable cost for small manufacturers. Testing each batch for potency, residuals, pesticides, microbiologicals, and heavy metals will end up costing many hundreds of dollars and likely result in delayed terms of payment for wholesale product. Small manufacturers will thus be asked to front thousands of dollars of capital for testing and will be forced to invest heavily in raw materials without being able to create revenue, or will be forced to create batches much larger than their sales volume, and edible products do have a shelf life. And even if a small manufacturer can afford all of the capital outlays, the additional cost will greatly burden their COG's and force them to pass along those costs to adult use consumers and medical patients.

For manufacturers and established manufacturing processes, this testing regimen is scientifically unsound. For a manufacturer our raw cannabis materials are tested before we incorporate them into our finished products. Our DPH-approved standard operating procedures (SOP's) and critical control points (CCP's) are designed in compliance with FDA and good manufacturing practices guidelines to ensure accurate potency and sanitary and safe manufacturing processes. Furthermore, the incorporation of other, non-cannabis raw materials into a finished product is no different than in many other regulated industries, such as food, beverages, and cosmetics, and it does not seem logical to hold us to higher laboratory testing requirements than those industries. We believe that the standards already laid out by the FDA and the CDPH protect public health and safety with regard to manufactured goods.

We would recommend requiring manufacturers to obtain full testing results for all cannabis raw materials (ingredients) and keep those results on file for an adequate period of time. Non-cannabis raw materials and other ingredients can be regulated in parity with FDA regulations as outlined in 21 CFR 117 Subpart G, which details the FDA verification process that ensures the safety of the ingredient supply-chain. And as for the final form product, we would recommend periodic testing once the previous two requirements are met.

Testing Manufactured Goods : ISSUE - A 10% MOE for edible cannabinoid testing is far too strict.

Recommendation: Allow a 20% margin - similar to current FDA food standards - especially in light of the current MOEs that most labs carry specific to edible products.

Batch Production Record & 2nd person for quality control: CCR § 40264: Recommendation: Allow flexible options for licensees to perform the verification. Please do not require that the person verifying be a formal employee of the licensee, as this will create a huge additional cost for licensees that can conduct most operations with a single operator, but can retain services from a qualified individual to perform the verification steps. Allow the SOPs to define the critical control points at which such verification is necessary and effective.

Reporting ownership changes to DPH: CCR § 40178: The licensee shall notify the Department of the addition or removal of an owner occurring any time between issuance of a license and submission of an application to renew the license within 10 calendar days of the change. The new owner shall submit the information required under Section 40130 to the Department. The Department shall review the qualifications of the owner in accordance with the Act and these regulations and determine whether the change would constitute grounds for denial of the license. The Department may approve the addition of the owner, deny the addition of the owner, or condition

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the license as appropriate, to be determined on a case-by-case basis.

Recommendation: Allow licensees 30 calendar days to notify the state.

Local taxation, and fair market burdens: The legalization of cannabis was meant to provide customers and patients with safe access to cannabis as well as provide the state with additional revenue. However many local jurisdictions have also imposed gross receipts tax on cannabis businesses that far outweighs the taxation on any other industry. Combined with state excise tax, and the complexity of the supply chain, this results in lower margins, and can make small businesses non-competitive with the larger market solely based on where they operate.

Recommendation: In order to give the entire industry a level playing field no matter where they operate, and to control the overall tax burden of a new industry, we propose capping county and municipal level local gross receipts taxes on manufacturers at 2%. Please also clarify tax collection as it relates to manufacturers.

Security Systems: CCR § 5044: Security systems are another barrier to entry for small businesses but there are a wide range of affordable systems which are extremely modern and up to date for those affordable cloud based services offer a maximum of 60 days of footage and record 5 minutes clips based on motion rather than 24-hour continuous recording. 24 hour continuous recording is more than any other industry and requires costly custom installations with large external storage systems. We love the idea of a cloud based system and it makes sense to set the regulations to match the standard met by the best modern security systems.

Recommendation: allow operators to capture 60 days of footage instead of 90, and allow footage to be captured when motion is detected rather than 24/7."

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FOR "Delivery/Retail Subcommittee:"

"5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is managed under the proposed safety

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distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer: ISSUE -- Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

5417. Methods of Delivery: (a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee. {ISSUE} -- The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment. Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle. In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

5420. Delivery Request Receipt: "A retailer shall prepare a delivery request receipt for each delivery of cannabis goods." {ISSUE} -- Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

\* Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e) ISSUE: -- Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations.

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permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community. Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone. Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume. This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home."

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FOR "Distribution Subcommittee":

"Taxation: The existing tax structure pushes small and medium sized businesses out. Recommendation: Shift cultivation tax to one percentage-based number at the point of sale. Shift excise tax liability to retailer, rather than having retailer pay distributor in advance before collecting the tax from the consumer.

Create greater efficiency and clarity in the tax. Makes it more transparent for consumers, who should understand the taxes they are paying.

Medical patients shouldn't have to pay the excise tax, which is essentially a 'sin tax.' Requiring this is like charging an excise tax on prescription medications.

Commercial vehicle ownership: Recommendation: Allow employees to incorporate and own their vehicles. This is more cost-effective. Follow the TNC model (Lyft/Uber).

Relabeling by distributors: CCR § 5303: A manufacturer places test results on label. Distributors can't relabel after test results, even if testing shows different values; they can relabel THC but not CBD, terpenes. There is also a related issue of different testing results from labs using different methodologies that should be corrected through standardization. Suppliers need to be able to tell the distributors which labs have protocols that are effective for the product type. Please clarify acceptable variance and whether products need to be relabeled if test results are within that margin.

Recommendation: Allow distributors to relabel for CBD and terpenes; standardize testing methodologies or allow suppliers to specify labs that utilize compatible methodologies; allow a 20% margin for different testing labs' results."

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For "Equity Subcommittee":

"Shared spaces: CCR § 40190-40199: We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns

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significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses."

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FOR "Cultivation Subcommittee":

"Eliminate or moderate the Trim Tax: This substantially increases the expense for suppliers and consumers. Compassionate Use: Recommendation: Create policy that allows for and encourages donations to compassion programs. Associated tax and administrative provisions should not penalize suppliers who provide free goods to such programs.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Cultivators must designate a plant on the A or M track early on. Licensees may 'cross over' between A and M until 6/30/18.

Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses."

THANKS FOR SHARING! <3 We need ALL OF YOU TO HELP to ensure we have a fair, equitable industry that allows all business types & sizes to thrive!

## #52

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:12:19 PM  
**Last Modified:** Wednesday, February 21, 2018 4:13:30 PM  
**Time Spent:** 00:01:10  
**IP Address:** 172.10.166.97

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**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**

**Q6** Feedback for Subcommittee

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

"Delivery/Retail Subcommittee:"

"5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

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Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.



#53

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:13:33 PM  
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**Q1** First Name (Optional) Respondent skipped this question

**Q2** Last Name (Optional) Respondent skipped this question

**Q3** Organization (Optional) Respondent skipped this question

**Q4** Title (Optional) Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Retailers Subcommittee**



**Q6 Feedback for Subcommittee**

FOR "Distribution Subcommittee":

"Taxation: The existing tax structure pushes small and medium sized businesses out. Recommendation: Shift cultivation tax to one percentage-based number at the point of sale. Shift excise tax liability to retailer, rather than having retailer pay distributor in advance before collecting the tax from the consumer.

Create greater efficiency and clarity in the tax. Makes it more transparent for consumers, who should understand the taxes they are paying.

Medical patients shouldn't have to pay the excise tax, which is essentially a 'sin tax.' Requiring this is like charging an excise tax on prescription medications.

Commercial vehicle ownership: Recommendation: Allow employees to incorporate and own their vehicles. This is more cost-effective. Follow the TNC model (Lyft/Uber).

Relabeling by distributors: CCR § 5303: A manufacturer places test results on label. Distributors can't relabel after test results, even if testing shows different values; they can relabel THC but not CBD, terpenes. There is also a related issue of different testing results from labs using different methodologies that should be corrected through standardization. Suppliers need to be able to tell the distributors which labs have protocols that are effective for the product type. Please clarify acceptable variance and whether products need to be relabeled if test results are within that margin.

Recommendation: Allow distributors to relabel for CBD and terpenes; standardize testing methodologies or allow suppliers to specify labs that utilize compatible methodologies; allow a 20% margin for different testing labs' results."

#54

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:17:48 PM  
**Last Modified:** Wednesday, February 21, 2018 4:18:14 PM  
**Time Spent:** 00:00:26  
**IP Address:** 172.10.166.97

Page 1

**Q1 First Name (Optional)**

Tony

**Q2 Last Name (Optional)**

Bowles

**Q3 Organization (Optional)**

Americans for Safe Access

**Q4 Title (Optional)**

Chair of SF Chapter

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

FOR "Delivery/Retail Subcommittee:"

"5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer: ISSUE -- Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

5417. Methods of Delivery: (a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee. {ISSUE} -- The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment. Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle. In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

5420. Delivery Request Receipt: "A retailer shall prepare a delivery request receipt for each delivery of cannabis goods." {ISSUE} -- Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

\* Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e) ISSUe: -- Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community. Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone. Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume. This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home."

#55

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:23:11 PM  
**Last Modified:** Wednesday, February 21, 2018 4:24:24 PM  
**Time Spent:** 00:01:12  
**IP Address:** 99.73.89.231

Page 1

**Q1 First Name (Optional)**

Sarah

**Q2 Last Name (Optional)**

Clark

**Q3 Organization (Optional)**

Respondent skipped this question

**Q4 Title (Optional)**

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

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Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Recommendation: BPC § 26152, CCR § 54141(a) and (b), BPC § 24044(a)(4) and (a)(5) ISSUE: Cannabis is the most effective way for

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Promotional Samples: BPC § 26153, CCR § 5411(a) and (d), RIC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

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Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

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Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

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#56

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:28:37 PM  
**Last Modified:** Wednesday, February 21, 2018 4:29:46 PM  
**Time Spent:** 00:01:08  
**IP Address:** 108.163.144.36

Page 1

**Q1 First Name (Optional)**

Adam

**Q2 Last Name (Optional)**

Swift

**Q3 Organization (Optional)**

Phytologie Oakland

**Q4 Title (Optional)**

Concentrates Manager

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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#57

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:29:26 PM  
**Last Modified:** Wednesday, February 21, 2018 4:29:56 PM  
**Time Spent:** 00:00:30  
**IP Address:** 108.163.144.36

Page 1

**Q1 First Name (Optional)** Respondent skipped this question

**Q2 Last Name (Optional)** Respondent skipped this question

**Q3 Organization (Optional)** Respondent skipped this question

**Q4 Title (Optional)** Respondent skipped this question

**Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.** **Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

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#58

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:36:11 PM  
**Last Modified:** Wednesday, February 21, 2018 4:39:50 PM  
**Time Spent:** 00:03:39  
**IP Address:** 186.15.230.102

Page 1

**Q1** First Name (Optional)

Jewel

**Q2** Last Name (Optional)

Respondent skipped this question

**Q3** Organization (Optional)

Cocoa Collection LLC

**Q4** Title (Optional)

owner

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

## Q6 Feedback for Subcommittee

### 5420. Delivery Request Receipt

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Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Expand allowable event locations: BPC § 26200(e)

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#59

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Page 1

**Q1 First Name (Optional)**

David

**Q2 Last Name (Optional)**

Hua

**Q3 Organization (Optional)**

Meadow

**Q4 Title (Optional)**

CEO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to



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physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer: ISSUE -- Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

5417. Methods of Delivery: (a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee. {ISSUE} -- The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment. Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle. In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

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5420. Delivery Request Receipt: "A retailer shall prepare a delivery request receipt for each delivery of cannabis goods." {ISSUE} -- Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

\* Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e) ISSUe: -- Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community. Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone. Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume. This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

#60

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Page 1

**Q1 First Name (Optional)**

Nina

**Q2 Last Name (Optional)**

Parks

**Q3 Organization (Optional)**

Mirage Medicinal/ Supernova Women

**Q4 Title (Optional)**

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

There are two tracks in our cannabis community one that values the compassionate care to individuals that suffer from chronic pain and ailments (PTSD and Anxiety, Depression) and the one that builds successful brands that serve a lifestyle of the new adult-use market.

The current regulations blocks the ability to serve our patients and veterans with services that have long been ways for them to safely access a holistic option to their intestine deteriorating medications and on the adult use side as a retailer I want to taste and experience vendors products before I agree to carry them, and on a manufacturer level, my ability to give samples to potential buyers really helps to get people educated about the product, effects and uses.

[Issue] Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults it's reasonable to assume sampling on-site can be done safely.

[Recommendation] We propose samples be allowed for the purpose of patient education and that they be distributed through licensed

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Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

We need to be able to offer sales samples to dispensary buyers. In order to grow our business effectively we need to be able to open up new accounts. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA, and allow manufacturers to more quickly compete in the market.

Recommendation: Above, we have outlined ways that we think manufacturers and distributors should be allowed to provide B2B samples, as well as consumer samples. We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based on their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

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Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Sampling (for testing) in final form: BPC § 26100(b) & CCR § 5705(b) and (c)

(b) The bureau shall develop criteria to determine which batches shall be tested. All testing of the samples shall be performed on the final form in which the cannabis or cannabis product will be consumed or used.

--

(b) The laboratory may obtain and analyze samples only from batches in final form as required by Business and Professions Code section 26100.

(c) The laboratory shall collect both a primary sample and a field duplicate sample from each batch. The primary sample and field duplicate sample shall be stored and analyzed separately.

Requiring the full battery of laboratory tests on every batch of final-form product is both economically onerous and scientifically unsound.

On the economic front, this will be a nearly insurmountable cost for small manufacturers. Testing each batch for potency, residuals, pesticides, microbiologicals, and heavy metals will end up costing many hundreds of dollars and likely result in delayed terms of payment for wholesale product. Small manufacturers will thus be asked to front thousands of dollars of capital for testing and will be forced to invest heavily in raw materials without being able to create revenue, or will be forced to create batches much larger than their sales volume, and edible products do have a shelf life. And even if a small manufacturer can afford all of the capital outlays, the additional cost will greatly burden their COG's and force them to pass along those costs to adult use consumers and medical patients.

For manufacturers and established manufacturing processes, this testing regiment is scientifically unsound. For a manufacturer our raw cannabis materials are tested before we incorporate them into our finished products. Our DPH-approved standard operating procedures (SOP's) and critical control points (CCP's) are designed in compliance with FDA and good manufacturing practices guidelines to ensure accurate potency and sanitary and safe manufacturing processes. Furthermore, the incorporation of other, non-cannabis raw materials into a finished product is no different than in many other regulated industries, such as food, beverages, and cosmetics, and it does not seem logical to hold us to higher laboratory testing requirements than those industries. We believe that the standards already laid out by the FDA and the CDPH protect public health and safety with regard to manufactured goods.

We would recommend requiring manufacturers to obtain full testing results for all cannabis raw materials (ingredients) and keep those results on file for an adequate period of time. Non-cannabis raw materials and other ingredients can be regulated in parity with FDA regulations as outlined in 21 CFR 117 Subpart G, which details the FDA verification process that ensures the safety of the ingredient supply-chain. And as for the final form product, we would recommend periodic testing once the previous two requirements are met.

#61

**Collector:** Web Link 1 (Web Link)  
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**Time Spent:** 00:01:17  
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Page 1

**Q1 First Name (Optional)**

Mikal

**Q2 Last Name (Optional)**

Jakubal

**Q3 Organization (Optional)**

Plant Humboldt, LLC Cannabis Nursery

**Q4 Title (Optional)**

Owner

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Hello,

I am the founder and owner of Plant Humboldt LLC cannabis nursery in Humboldt County. I'm in the licensing process, awaiting a zone reclassification on my parcel. Humboldt County's policy for the last two seasons has been that if you're diligently pursuing compliance, you can continue to operate until permits become available. This spring will be my third season as an open-to-the-public production-to-retail cannabis nursery. Prior years' sales have been under 215/420 medical-use guidelines, but this year I'll be expanding to include adult use ("AU") sales of small quantities to anyone over 21 years old. ☐ ☐ I will be submitting these comments to multiple committees.

To understand my comments and suggestions, I will need to walk you through how my operation works, since it is somewhat unique in the cannabis industry, though completely normal in the non-cannabis nursery world.

☐ ☐ I sell two main products: 1) seed-grown, sexed female plants in large pots; and 2) clones rooted into dirt and sun-acclimated ("hardened off"). All are grown outdoors or in open-air cold frames.

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☐☐ (“Teen” is an informal industry term for plants bigger than seedlings or cube-rooted clones, but not yet flowering. They can range anywhere from a rooted clone in a 3” pot of dirt to a 4’ tall plant in a large pot. I use the term in my comments for expediency.)☐☐

I start thousands (and this year, tens of thousands) of seeds, grow them out, determine sex, cull the males, and sell the female plants retail. I bring in rooted clones in typical 50/100-pack trays, pot them in dirt, and sell them when they’re rooted, growing and acclimated to the outdoors.☐☐ Everyone pays sales tax unless they have a state Seller’s Permit or (starting this year) a state-recognized medical marijuana card.

I keep inventory and production records from seed to sale, like any normal plant production operation.

As with any nursery, people pick out their own plants and transport them to their licensed commercial cultivation sites or AU/medical gardens. This is a retail operation, no different than any other retail nursery that also grows their own plants for sale.☐☐ To repeat, it is an outdoor nursery catering mostly to seasonal outdoor growers. It is not an indoor clone factory. The plants I grow and sell are not little cuttings, but large, leafy, heavy, perishable and of relatively low value to criminals. This all has to be taken into account when reading my comments about transport, retail sales, security, distribution and so on.

Further, this kind of nursery takes up vastly more space than an indoor clone factory. The nursery starts with a small area of seedling pots and then rolls out to cover five times that area for a short time once the plants are repotted. Then once plants are sold off, the retail and propagation space contracts back down to nothing and closes for the year in late summer once the last plants are sold. ☐☐

As someone with an actually-operating nursery, I have a vested interest in making the regulated cannabis system work and so welcome any opportunity to walk regulators through my operation to help you better understand what I actually do. Rules that are not informed by the actual experience and needs of actual operators will be unworkable for everyone. I understand that this is very new terrain, but that makes it all the more important to take feedback from those of us in the industry seriously. Please feel free to contact me for a personal site tour.

☐☐ I will start comments with a few that are specific to existing sections and follow with more general ones. ☐☐

### 8000 Definitions

(v) “Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

8201 (e) “Nursery” is a cultivation site that conducts the cultivation of cannabis solely as a nursery.☐☐

“Nursery” must be defined to specifically include retail sales. This is where commercial medical and adult use growers, personal adult use and medical use growers, and medical collectives (through 2018) can all purchase plants. ☐☐ There is no difference between commercial, medical and adult use except for the tax collected. As with any other nursery, a grower providing a CA DTFA Seller’s Permit will not be charged sales tax and their Seller’s Permit number will be kept on file. Customers with a valid county-issued, State-recognized medical card will not be charged sales tax and their card number will be recorded with the sales receipt. All others will pay local sales tax. Commercial, wholesale, retail, medical and adult use are all perfectly compatible with a normal nursery operation. ☐

☐ This is a normal nursery operation. That sells cannabis starts.☐

8202 (d) Licensees are prohibited from transferring any commercially cultivated cannabis or non manufactured cannabis products from their licensed premises. All transfer of cannabis and non manufactured cannabis product from a licensed cultivation site must be conducted by a distributor licensed by the bureau.

☐☐ This must be clearly amended to indicate it does not apply to nurseries and plant sales. Anyone who can legally possess live plants must be able to transport the plants themselves. An adult use customer who purchases plants retail must be able to transport the plants to their home garden. A commercial farmer must be able to transport live plants directly from the nursery to their cultivation site. ☐☐ That is how it works.



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Distributors and retail cannabis shops are not set up to maintain live plants except trays of clones for very short periods of time. Large seed-grown plants and clones in “teen” form (i.e. larger nonflowering plants) take up enormous space, are heavy, fragile and perishable. Nurseries are places that are set up to grow and sell plants. Pot shops are set up to store and sell finished products. Do not require that they be mixed. It does not work.

It is not possible to require that 200 3'-tall plants in grow bags, for instance, be hauled to a farm by a distributor. All legal cultivators must be allowed to choose their plants and transport them directly from the nursery. That is how it works.

If a distributor chooses to set up the ability to transport plants, they are welcome to offer that service to growers or nurseries. But it must absolutely never be a requirement.

(f) Except as provided in section 8209, a licensee may hold both an A and an M license on the same premises, provided the inventory for each license type is kept separate and distinct. ☐ ☐

This must be amended to specifically exclude nurseries. Separation of inventory is not possible at a viable commercial scale, nor would it accomplish anything productive. There is no difference between A and M plants, other than the sales tax charged and the number of plants that can be purchased. ☐ ☐ There is also no reason whatsoever to require duplicate licenses. Nurseries must be expressly exempt from any A/M designation. ☐ ☐ Remember, we're referring to normal nurseries that grow and sell plants, not indoor clone factories. Outdoor production/retail nurseries cannot be subject to the same mindset and rules as indoor clone factories.

(g) A licensee shall not sublet any portion of the licensed premises. ☐ ☐

This unnecessarily limits creative entrepreneurship and opportunities, especially for smaller operations and rural businesses who will likely need to rely on diverse sources of income. As a nursery, I should be able to sublet my R&D area to another company. ☐

☐ Example: as a nursery operator, I don't have time to do my own breeding, so that means that the R&D part of my outdoor cultivation site will have to be fallow. I have a friend who is a long-time seed breeder whose property is not zoned appropriately. They are thereby excluded from the regulated market, despite wanting to be part of it. I would like to lease the R&D area of my nursery to them. There is no logical reason to prohibit this. ☐

Another example is where someone obtains a license for their small cottage farm, but is no longer physically capable of maintaining it. This will become more and more common as many of the original cannabis farmers of the North Coast age out of the business but want to remain on their land. Many of these people do not have much in the way of retirement savings, so being able to sublet their licensed cultivation site will be vital. ☐ ☐

Another example: My nursery has multiple enclosed cold frames that are only used seasonally for starting seeds in February in Humboldt County where it is too cold and rainy to start them outdoors. I'm done with the spaces by August. I could potentially lease this space from August to February to cultivators, providing me an off-season source of income.

Another potential example: A licensee builds out a permitted processing facility, but finds they've built out double the capacity they can use and are facing financial hardship. They should be able to sublet the other half of the space. ☐

A license should be decoupled from a specific geographical location. This makes sense and allows for maximum flexibility and adaptation in a rapidly changing industry. So, ideally, an owner of a premise can get a license and operate the business themselves (current model); or a premise owner can license a space and sublet to another licensee who has no physical location, but has met the other requirements of a licensee (background check, registration in track and trace, etc.).

☐ ☐ It is burdensome to require all licensees to also own or lease and be responsible for their own premises. There is no reason the cannabis business license held by a person or company and a premise license have to be locked together. ☐ ☐ In the case of my seed-breeder friend, they should be able to go to the county and get a simple business license and then go to the state and get a cannabis license. They would lease from me (on my licensed premises), but own all their product, pay their own taxes, be subject to track and trace, etc. Just like any other business. This would allow them to further develop their existing brand and markets without the burden of



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having to buy property they can't afford.

8300 Licensees propagating immature plants for distribution or seed for distribution to another licensee shall obtain a nursery license.

Commercial cultivators and adult use and medical use growers must be able to trade strains (in seed or clone or “teen” form) within reasonable limits. This is a long-standing North Coast tradition and is partly responsible for the diversity of strains available.

Many cultivators choose to propagate their own stock. Any smart farmer will plant a large cushion of extra seeds or cut many extra clones in case of failure. If all these extras survive, they should be allowed to be made available to others. No other ag industry is forced to throw away perfectly good plants.

A solution would be to allow transfer of plants and seeds to other cultivators and to nurseries up to a certain quantity/value, after which a nursery license would be required. There is a provision in CDFA rules for non-cannabis nurseries to get a no-cost license through the county Agricultural Commissioner to sell small amounts of plants within the county (e.g. at farmers markets), so there is precedent for this outside of cannabis. □□ The cannabis industry thrives on novelty. Trends change rapidly and new strains enter the market constantly. As a nursery, I need to be able to keep up with these trends and obtain “genetics” (i.e. new strains) from any source that has them.

As a nursery, I should reasonably be able to obtain small amounts of seeds, clones or teens from anyone who themselves is legally allowed to have them. □□ If (valuable!) extra plants cannot be legally traded, this encourages undetectable and unenforceable illegal diversion to the unregulated market.

8301 & 8302 research and seed production plant products cannot enter the commercial distribution chain. □□

The implication here is that such material should be destroyed. In the real-world, this will encourage the material to be diverted to the unregulated market. □□ Example: large, full-season test plants are grown outdoors to see how a new strain handles mold and early rains, or to see how productive a strain is, or to provide photo ops for next year's advertising or as a novelty “who can grow the biggest plant” attraction. Outdoor plants, even if seeded, can become gigantic.

□□ Even plants grown for seed may not be entirely seeded and therefore produce cannabis flowers useful for extracts. □□ A solution would be a provision for a limited amount of material to be sold to licensed processors. If the concern is that nurseries become primarily cultivation sites, then something limiting that ability could be written. Blanket prohibitions against any production do not accomplish that.

The emergency rules are silent on the size of nursery R&D areas. In the real world, R&D can be done indoors for flower tests or short-rotation breeding cycles in 200 ft/sq.; or it can be done outdoors over an acre for large-scale “pheno-hunting” seed tests and other selection processes that require a large number of sample plants grown to full term. This is where the conflict with cannabis entering the commercial chain comes in. Such breeding operations are crucial to the future of a healthy cannabis industry (as with any ag product), but in the process may generate significant amounts of potentially useable and valuable cannabis flower. These operations are also expensive, so the ability to sell the flower can help offset the cost of breeding trials.

□□ I do not have any specific suggestions for resolving the apparent conflict between nursery R&D areas and cannabis product entering the marketplace. But I urge you to work actively with a diverse set of existing nursery and seed production licensees (or temp licensees) so that the needs of the real-world cannabis industry can deeply inform regulations in a way that meets the needs of regulation, but does not stifle innovation and opportunity. □

\* \* \*

### Nursery Size

The emergency rules as written are silent on the size of nurseries. I have no suggestions at present other than to be very, very aware of the difference in size, plant numbers and seasonality of indoor clone factories and outdoor seasonal nurseries like mine. A year-round

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indoor clone factory will produce 100 times the plant count in a fraction of the space over the course of a year, so any regulations based on that will be inappropriate for an outdoor nursery.

\* \* \*

### Nursery Security

This should be left to local jurisdictions to decide, as each area will have different requirements. An indoor clone factory in an urban industrial area will have different needs than a seasonal outdoor nursery in a rural agricultural area like mine.

The plants I grow and sell are heavy, perishable, awkward to transport and have little value to criminals. A solid fence, a few strategic cameras, full-time presence and motion alarms are more than adequate.

☐

\* \* \*

### Nursery Monitoring

This ties in with security. A seasonal, outdoor, production/retail nursery does not need a vast array of cameras. Any security system is for the benefit of the nursery, based on perceived level of risk. Rural farms and nurseries cannot be subject to excessive rules about vast camera networks and remote webcams. Our Internet connections are often slow and expensive, if they even exist.

Nurseries and small rural farms don't need high security or intensive remote monitoring. Those of us who want to make the regulated cannabis industry work are not the problem.

\* \* \*

### Nursery Access Restrictions

Cannabis plants are plants. Like any other plants. Like any other nursery, people come to my nursery because they can pick out their own plants. This means they can walk virtually anywhere. I believe that nurseries should be required to follow the same rules as stores that sell liquor. To buy alcohol—or cannabis plants—you have to be 21 or over, but you can walk around a super market liquor aisle or go into a combo liquor store/deli at any age.

At minimum, clarification is needed on what happens when a parent has a child with them if people under 21 are not allowed to go near the plants themselves. At what age does the child have to wait in the car? (E.g. does an infant have to be left in the car while a parent shops?) How far from the cannabis plants does the child have to stay?

My nursery is not a store in a building with a clearly defined door. There is an open-air driveway where people park and load up plants. The plants are visible from the driveway. This is part of the charm and appeal of a legal cannabis nursery where you can walk around the plants and pick them yourself. For years, this activity has been underground, but can now be part of the cannabis tourism that will be the future of rural areas like Humboldt County. It is imperative that indoor clone factories do not provide the template for nursery regulations.

\* \* \*

### Nursery Track and Trace

Nurseries should be exempt from track and trace for the most part. That data does nothing to indicate whether plants are being diverted to the unregulated market or brought in to the regulated market from outside.

Plant UIDs in general do nothing. They don't show regulators any useful data and they don't show farmers any useful data. What is actually being created is a haystack mass of junk data that makes finding the compliance needles more difficult. It is mostly regulatory theater.

At best, plant UIDs shouldn't exist until the plant is flowered (but even then UIDs convey no useful information in most cases and do nothing to prevent diversion if someone wants to game the system). At the nursery level, individual plant UIDs is not a workable system.

What is workable to track the activity of a nursery is the normal production data that any good nursery will keep anyway.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

For example: I just planted 1152 (72 16-count flats of 4" pots) Dream Queen seeds. So, that lot in my database will be "021518HSCDQ" [date, breeder abbreviation, strain abbreviation; I might add some other data about temperature, weather, who planted them, etc.].

My production database will ultimately show how many of the seeds germinated and when, how many died as seedlings, how many were culled due to weakness, how many were transplanted to larger pots and when, how many were culled as males, how many were lost to other causes (mechanical damage, weakness, disease) and how many were sold and to whom (or to what type of buyer in the case of personal medical and adult use where there won't be individual records). □□

From this data, an auditor can easily determine how many plants I should have in inventory at any given moment, how many were sold and what tax was collected (and cross check that with the CA DTFA). My records might show, for example that I sold 124 of these Dream Queen female plants to Hillside Weed Farm, LLC license #1234567ABC with Seller's Permit # 000-000000. That can be quickly checked to see if that farm entered those plants into their record or not, no individual plant UID necessary.

□□An audit requires coming to the nursery in person and counting individual plants in stock. Having UIDs on plants doesn't help that process at all. An auditor would have to individually inspect up to 40,000 plants (at seedling stage). Checking that each has a valid UID barcode is impossible and pointless when plants can be simply counted by the bench/area (i.e. a given bench or row has x-number of plants), extrapolated and then that number compared against the production database.

If an auditor finds that plants are missing from the physical inventory and from the database, it's reasonable to ask what happened to them. If plants are in the physical inventory, but not listed in the database as being grown on site from seed or from clones with a purchase order traced to a licensed clone supplier, it's reasonable to ask where they came from. In neither case does having a UID tag on each plant tell anything about the missing or excess plants. □□

\*End\*

#62

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:58:15 PM  
**Last Modified:** Wednesday, February 21, 2018 4:59:02 PM  
**Time Spent:** 00:00:46  
**IP Address:** 107.77.214.199

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**Q1** First Name (Optional)

Ryan

**Q2** Last Name (Optional)

Miller

**Q3** Organization (Optional)

Operation EVAC/California Compassion Coalition

**Q4** Title (Optional)

Cofounder

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

Thank you for seeking community input toward the creation of a fantastic cannabis marketplace in our shared home of California.

The emergency regulations released in the Fall demonstrate that The State is listening to feedback and adjusting accordingly. The policy which allows for the compassionate exchange of philanthropic goods for medical cannabis patients is particularly encouraging. We still have work to do to ensure that the most vulnerable communities aren't left behind with Prop 64 and that the culture of compassion in California cannabis is restored.

Below are our initial policy recommendations.

Issue temporary emergency licenses for compassion programs pending the (postponed) nonprofit feasibility study deadline of January, 2020

Expand track and trace to include philanthropic exchanges of cannabis goods.

Incentivize philanthropy with tax credits instead of discouraging philanthropy with tax liabilities of "full-market value."

If bicycle delivery is unrealistic then offer no-interest loans to compassion programs to transition to secure vehicle transportation.

Expand equity to include compassion programs.

Expand equity to include military veterans.

Incentivize dispensaries to incubate compassion programs for shared secure storage, tracking, processing, and dispensing.

This would be a great start to creating a pathway to compliance for life-sustaining organizations serving the most vulnerable communities.

In service,  
Ryan Miller

#63

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:46:58 PM  
**Last Modified:** Wednesday, February 21, 2018 4:59:56 PM  
**Time Spent:** 01:12:57  
**IP Address:** 76.103.173.108

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**Q1** First Name (Optional)

Ramona

**Q2** Last Name (Optional)

Rubin

**Q3** Organization (Optional)

Doc Green's Healing Collective

**Q4** Title (Optional)

Founder/Chief Information Officer

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**

**Q6 Feedback for Subcommittee**

At Doc Green's Healing Collective we have been producing topical cannabis products since 2010. We have seen a great number of people with diverse conditions benefit from these products without any risk associated with the cannabis.

I have two suggestions for the committee regarding topicals.

1. Topical Cannabis products of less than 120mg/ounce concentration pose no greater risk to children than the comparable product without cannabis. The risk for illegitimate use is negligible. Such products should be removed from classification as a cannabis product and not subject to further regulation. They should be permitted to be sold by any licensed California business, and purchased by anyone 18 or over as in Washington State.

2. The requirement for Topical Cannabis products to be in continuous child resistant packaging is:  
unnecessary,  
wasteful and costly, and  
makes the products less accessible to the elderly Californians or infirm.

Exempt unpalatable "Topical Cannabis" products of less than 500mg/ounce from the requirement of having child resistant packaging.

#64

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 6:49:02 PM  
**Last Modified:** Wednesday, February 21, 2018 6:49:26 PM  
**Time Spent:** 00:00:23  
**IP Address:** 184.23.243.202

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**Q1** First Name (Optional)

Charlie

**Q2** Last Name (Optional)

Rutherford

**Q3** Organization (Optional)

Boveda, Inc

**Q4** Title (Optional)

Business Development Director

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Retailers Subcommittee**



**Q6 Feedback for Subcommittee**

As a representative of Boveda, Inc., a manufacturer of humidity control technology designed for cannabis flower, I am writing to comment on the proposed emergency regulations. In section §5717, a maximum acceptable limit for Moisture Content (MC) at 13%, and Water Activity (AW) at 0.65 for cannabis has been set, which ensures the safety of the cannabis from microbial growth. But there is no set minimum limit, thus not defining “dry-weight ounce,” and this absence can result in major fluctuation by the product arrives at point of sale. Cannabis in flower form is subject to fluctuations depending on environmental and storage conditions, as well as intentional manipulation, and the regulations use weight as if it is a static measurement. However, our research, as well as secret shopping efforts, have shown dramatic variation in flower moisture content and measured weight by the time it is sold at the retail level, to as much as 25% lower weight than labeled. The regulations do allow up to a 10% variation in cannabinoids and related substances, but without proper humidity control, variance far beyond the allowable limits will continue.

To ensure that the laws and regulations governing the legal cannabis industry are properly enforceable, we urge this subcommittee recommend the regulating agencies work together and set a legal definition for dry-weight ounce, including minimum values for both MC and AW. My colleagues and I are available to discuss the importance of these recommendations. Please contact me at (952) 745-2905 or [charles.rutherford@bovedainc.com](mailto:charles.rutherford@bovedainc.com) if you have any questions regarding my comments.